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IN THE

Supreme Court of the United States

October Term, 1973
No. 73-6071

E. CHRISTMAN DAWN, individually and doing business as THE GAME COMPANY,

Petitioner,

vs.

STERLING DRUG, INC., and DANCER-FITZGERALD-SAMPLE, INC.,

Respondents.

Brief in Opposition to Petition for Writ of Certiorari.

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To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Respondents Sterling Drug, Inc. and Dancer-Fitzgerald Sample, Inc. herewith oppose the Petition for Writ of Certiorari.

Jurisdiction.

Respondents agree with petitioner's statement of jurisdiction.

Statement of the Case.

The subject of this case is the phrase "Tower of Babble." Petitioner manufactures and sells an educational language game under the name "Tower of Babble." Petitioner allegedly registered the name "Tower of Babble" with the United States Patent Office in 1962 and with the Secretary of State of California in 1968

as a trademark for "equipment sold as a unit for playing an educational language game." Respondent, Sterling Drug, Inc. (hereafter "Sterling") manufactures a diversity of products, including Bayer Aspirin. Respondent, Dancer-Fitzgerald-Sample, Inc. (hereafter "Dancer"), is an advertising agency employed by Sterling, and as part of its promotion for the sale of Bayer Aspirin had created a certain print advertisement wherein the phrase "Tower of Babble" appeared as a descriptive caption.

The Bayer Aspirin advertisement depicted a stock of assorted pills and headache remedies with the caption "Tower of Babble" beside the stack. Below that appeared a text which stated: "Confused by claims? by shapes and sizes? by strange-sounding ingredients? When you need fast relief from headache pain, don't forget this fact: Bayer® is 100% aspirin. And aspirin is the strongest pain reliever you can buy. No wonder Bayer works wonders."

The foregoing factual background spawned two actions. The first was filed by Petitioner in the Superior Court of California, County of Los Angeles, bearing case No. NEC 7760 (hereinafter "State Action"). The State Action was filed on or about October 30, 1968. Attached as Appendix A hereto is a true and correct copy of the decision rendered by the Court of Appeal of the State of California, Second Appellate District, Division One, in the matter of "E. CHRISTMAN DAWN, individually, and doing business as THE GAME COMPANY, Plaintiff and Appellant, vs. STERLING DRUG, INC., and DANCER-FITZGERALD-SAMPLE, INC., Defendants and Respondents" (2nd Civ. No. 37416, Superior Court No. NEC 7760) filed December 1, 1971. By that decision, the

California Court of Appeal affirmed summary judgment against Dawn on the theories of trademark dilution, unfair competition and injury to business reputation. However, with respect to Dawn's claim for relief under California Business and Professions Code § 14330 (the so-called anti-dilution statute), the California Court of Appeal reversed summary judgment against Dawn and remanded the case for trial of the dilution issue. On December 30, 1971, that Court denied Petitioner's Petition for Rehearing and on January 26, 1972, the Supreme Court of the State of California denied Petitioner's Petition for Hearing. Thereafter, Petitioner filed a Petition for Writ of Certiorari in this Court, bearing No. 71-6751 and by order dated October 10, 1972, this Court denied that Petition for Writ of Certiorari and on January 8, 1973, this Court denied Petitioner's Petition for Rehearing in connection with the Petition for Writ of Certiorari.

The second action was filed in the United States District Court on May 5, 1969 (hereafter "Federal Action"). It is the second action which is the subject of this Petition for Writ of Certiorari. The Federal Action alleges four causes of action for: trademark infringement, dilution of trademark (based on California Business and Professions Code § 14330), injury to business reputation and unfair competition. The District Court granted summary judgment in favor of Sterling and Dancer on the issues of trademark infringement, injury to business reputation, and unfair competition. The District Court at the same time granted summary judgment in favor of E. Christman Dawn (hereafter "Dawn") on the issue of trademark dilution. Dawn appealed from that portion of the District Court order granting summary judgment to Sterling and Dancer and

Sterling and Dancer cross-appealed from that portion of the District Court's judgment granting summary judgment in favor of Dawn. The two appeals became bifurcated when the United States Court of Appeals for the Ninth Circuit summarily affirmed that portion of the District Court's judgment granting summary judgment in favor of Sterling and Dancer on the issues of trademark infringement, injury to business reputation, and unfair competition. [Dawn filed a Petition for Writ of Certiorari (Docket No. 72-6576) asking this Court to review the order of the Ninth Circuit summarily affirming the District Court's order insofar as it granted summary judgment to Sterling and Dancer. That Petition for Writ of Certiorari was denied by order dated October 9, 1973 and a Petition for Rehearing on the Petition for Writ of Certiorari was served December 31, 1973.]

In the meantime, the appeal by Sterling and Dancer from that portion of the District Court's Order dealing with the dilution issue proceeded to hearing before the United States Court of Appeals for the Ninth Circuit. On August 13, 1973, the Ninth Circuit reversed the District Court order insofar as it granted summary judgment in favor of Dawn, dissolved the injunction, and remanded the action to the District Court with directions to stay the action for a period of six months to allow a disposition of the State Court action involving the trademark dilution issue. It is from this order of August 13, 1973 that Dawn now seeks this Petition for Writ of Certiorari. A copy of the order in question is attached as Appendix A to the Petition for Writ of Certiorari.

REASONS FOR DENYING THE WRIT.

As shown in the Statement of the Case, the only substantive issue with which the Ninth Circuit dealt was the issue of trademark dilution. The right to relief under that substantive issue finds its source in California law rather than federal law. The same parties involved herein are parties to an identical action in the California State courts where the issue is to be tried. The Ninth Circuit first found that factual issues precluded summary judgment in favor of Dawn on the issue of dilution. The Ninth Circuit next found that there is no need for duplicate trials on the issue of dilution and, inasmuch as state rather than federal rights are involved, stayed the federal court action.

On this Petition, Dawn does not raise the issue of whether the Ninth Circuit properly concluded that a factual issue exists. Nor does Dawn raise the issue of whether the Ninth Circuit properly stayed the action. The only issue raised by Dawn is whether the United States Constitution (in some mysterious provision which Dawn fails to identify) prohibits a court from finding the existence of factual issues as to one aspect of a case while finding that no factual issue exists as to the other issues. Dawn asserts that to affirm summary judgment against him on three issues while reversing summary judgment in his favor on one issue is a "discrimination amounting to denial of due process" (Petition, p. 3, lines 11-12).

Dawn cites no authority, no history, no logic and no fact to establish a denial of due process. On its face, the conclusion Dawn would have this Court reach is totally without merit since it would prohibit, under the guise of a Constitutionally unlawful discrimination, a court

from disposing of a case unless relief is given to both parties.

Conclusion.

The issue raised by the Petition is without merit. Nothing whatsoever is cited to the Court in support of the conclusion Petitioner would have this Court reach and no reason is cited as to why this Court should review the issue. Accordingly, we urge the Court to deny the Petition.

Respectfully submitted,

JOHN L. ENDICOTT,
FRED F. GREGORY,
Attorneys for Respondents.

GIBSON, DUNN & CRUTCHER,
Of Counsel.

APPENDIX.

Opinion of the Court of Appeal.

In the Court of Appeal of the State of California, Second Appellate District, Division One.

E. Christman Dawn, individually, and doing business as The Game Company, Plaintiff and Appellant, v. Sterling Drug, Inc., and Dancer-Fitzgerald-Sample, Inc., Defendants and Respondents. 2d Civ. No. 37416, (Sup. Ct. No. NEC 7760).

Filed: Dec. 1, 1971.

APPEAL from a judgment of the Superior Court of Los Angeles County. John W. Holmes, Judge. Reversed with directions.

E. Christman Dawn, in propria persona, for Plaintiff and Appellant.

Gibson, Dunn & Crutcher, John L. Endicott, and Fred F. Gregory, for Defendants and Respondents.

This is an appeal from a judgment entered for defendants in an action for appropriation and dilution of trademark after the trial court sustained their motion for summary judgment. We reverse the judgment with direction to the trial court to enter a partial summary judgment for respondents on the causes of action in the complaint seeking damages or injunctive relief on trademark infringement and unfair competition but to resolve at trial the sole issue of appellant's right to injunctive relief for trademark dilution.

Prior to 1962, appellant developed an educational language game involving the use of cards, a game board, and poker chips used in keeping score. He placed the game on the market in a version utilizing

words in Spanish and French printed on the cards and adopted the name "Tower of Babble" as the game's designation. Appellant registered the name with the United States Patent Office as a trademark for "equipment sold as a unit for playing an educational language game." In the period 1962 through 1966, appellant sold approximately 4,400 units of the game and delivered an additional 600 units for promotional purposes. He spent approximately $600 on direct advertising and was the beneficiary of some complimentary ads. By 1966, sales of the game had declined because of production difficulties so that in that year appellant sold only a "few gross." He made no sales in 1967 but continued to work to solve his production difficulties and to raise capital which would permit him to place the game in mass production.

Respondent Sterling Drug, Inc., manufactures a diversity of products, including "Bayer Aspirin." Respondent Dancer-Fitzgerald-Sample, Inc., is Sterling's advertising agency. Beginning in August 1967, Dancer, acting on Sterling's account, placed a series of advertisements for Bayer aspirin. The ads depict pictorially a stack of pills and capsules. They contain the caption "Tower of Babble," and a text in smaller letters stating: "Confused by claims? by shapes and sizes? by strange sounding ingredients? When you need fast relief from headache pain, don't forget this fact: Bayer® is 100% aspirin. And aspirin is the strongest pain reliever you can buy. No wonder Bayer works wonders."

Appellant complained to Sterling that its use of the phrase "Tower of Babble" in connection with its advertising infringed upon and diluted his trademark. Dancer, acting as Sterling's agency, continued to place the ads using the representation of the tower of pills,

the caption, and the text. On July 11, 1968, the California Secretary of State issued appellant a registration certificate for the trademark consisting of the words "Tower of Babble" for "equipment sold as a unit for playing an educational language game." Appellant filed his complaint in the case at bench on October 30, 1968.

The complaint is phrased in 14 overlapping causes of action. In essence, it alleges that Dancer and Sterling "appropriated" appellant's trademark "Tower of Babble" and that their use of it diluted and disparaged the mark. There is vague reference in the complaint to a theory of unfair competition. The complaint seeks injunctive relief and damages in the amount of $10,500,000.

Respondents took appellant's deposition. They then moved for summary judgment filing no declaration in support of the motion but basing it solely upon the deposition. Appellant filed an affidavit in opposition to the motion, stating that he owned the trademark "Tower of Babble," and that: "Defendants have used or utilized plaintiff's trademark property, admittedly without his consent or permission, trespassing upon plaintiff's property rights in his registered TOWER OF BABBLE trademark, product, goodwill, and any business, including prospective, resultant therefrom. Defendants have used or utilized plaintiff's TOWER OF BABBLE trademark property in a manner and to a degree which tends to deteriorate or destroy said property and the value thereof, and which preempts plaintiff's lawful use thereof, depriving him of its benefit."

The trial court granted the motion and entered a final judgment for respondents. This appeal followed.

Appellant contends: (1) the motion for summary judgment is without factual support because his deposition was not properly before the court when it heard the motion; and (2) considering the deposition and appellant's affidavit in the manner required on motions for summary judgment, there are triable factual issues raised on his claims of trademark infringement, dilution, and disparagement.

Appellant's contention that the trial court ruled on respondents' motion for summary judgment without factual support for the motion is frivolous. A summary judgment may be supported by a deposition equally with a declaration or affidavit. (*Vallejo v. Montebello Sewer Co., Inc.*, 209 Cal.App.2d 721, 734 [26 Cal. Rptr. 447].) Respondents' notice of motion states that it will be based upon the deposition of appellant. Despite appellant's extended argument to the contrary, it is clear from the record that the deposition upon which the motion was based was lodged with the trial court well before hearing on the motion on September 26, 1969, and was filed with the court on that date.

Appellant's contention that the deposition filed in support of the motion for summary judgment fails to negative the existence of triable issues of fact has some merit. Where, as here, we consider a defendant's motion for summary judgment, we must determine whether strictly construing the documents filed in support of the motion and liberally construing the documentation in opposition to it, the defendant has established without factual contradiction the absence of an element necessary to the plaintiff's recovery or has similarly established all the elements of an affirmative defense. Here the record discloses that respondents have estab-

lished without factual contradiction the absence of elements indispensable to recovery of damages by appellant for trademark infringement and unfair competition or to injunctive relief on those theories. The record, however, does not support the ultimate conclusion that there is no triable issue of fact on the question of appellant's right to injunctive relief for trademark dilution.

Prior to the adoption in 1967 of Business and Professions Code section 14330 as part of the California Trade Mark Act, causes of action complaining of an interference with trademark were limited to those claiming an actual infringement based upon "the simulation and imitation of the goods of a rival or competitor" (*American Philatelic Soc. v. Claibourne*, 3 Cal.2d 689, 697 [46 P.2d 135]), or those claiming the protection of Civil Code section 3369 defining "unfair competition" to include unfair business practices or unfair or misleading advertising without requiring actual competition. (Sutton, California "Model" Trademark Act, 2 Univ. of San Francisco L.Rev. 198, 205, and cases there cited.) Section 14330 of the Business and Professions Code expands the area of protection of trademarks by providing: "Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a mark valid at common law . . . shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services."

The record establishes that there is no triable issue of fact with respect to appellant's right to damages or injunction for traditional trademark infringement or pursuant to Civil Code section 3369. To the contrary, it is clear that on the record respondents must prevail

on those issues. There is no possibility that the use of the phrase "Tower of Babble" by respondents to describe the multitude of claims of competitors selling pain pills in any way describes Bayer aspirin sold by Sterling or that the phrase refers to any product at all. There is thus no simulation of the goods of Sterling as those of appellant and no possibility that the use of the phrase can be misleading. Neither is there any possibility on the record before us that respondents' use of the phrase can be said to be unfair to appellant or misleading to the public.

A different situation exists with respect to the support in the record for appellant's cause of action based upon Business and Professions Code section 14330. Because the matter reaches us on summary judgment granted on a motion supported only by appellant's deposition, it is not enough that the deposition establish that appellant has almost no possibility of recovery at trial. Rather, the deposition must negative without contradiction some fact indispensable to appellant's recovery. It fails to do so.

Read with the extreme liberality to the respondent to the motion for summary judgment that precedent requires, the deposition contains evidence in the form of appellant's opinion, based upon his past business experience, that the continued use of the phrase "Tower of Babble" by respondents will dilute the impact of the use of that phrase as the title of appellant's game. The record does not negative the possibility that the continued use of the phrase by respondents may "whittle away [the] effectiveness" of appellant's mark. (3 Callman, Unfair Competition Trademarks and Monopolies, 956; Schecter, The Rational Basis of Trademark Protection, 40 Harv. L.Rev. 813.)

Respondents argue that the phrase "Tower of Babble" is a descriptive rather than a coined mark and hence not distinctive as required by section 14330. It appears, however, that anti-dilution statutes such as section 14330 apply "not only [to] distinctive and fancifully coined marks but [to] secondary-meaning words as well." (3 Callman, *supra,* 962; *Food Fair Stores, Inc. v. Food Fair, Inc.,* 83 Fed.Supp. 445 (DC Mass. 1948).) The support of respondents' motion for summary judgment does not conclusively negative the proposition that appellant's use of the name "Tower of Babble" may have acquired a secondary meaning. Moreover, it is not possible on the record before us to determine conclusively whether the phrase is a coined or fanciful term or a descriptive one. Since evidence on that issue will be admissible at trial, respondents' position must be rejected even if we assume that their statement of law is correct.

Respondents argue also that appellant's advertising expenditures and the scope of his business are so small as to defeat his right to prevail. Here again the record raises a factual issue on which appellant is not likely to win but which must be resolved at trial.

It is significant to the disposition of the case at bench that Business and Professions Code section 14330 provides only for injunctive relief and creates no cause of action for damages. The legislative limitation upon the nature of relief to be afforded for trademark dilution is a valid one and thus appellant cannot recover damages or seek an accounting for profits on that theory. (3 Callman, *supra,* 962, and cases there cited.) Thus, while we conclude that the trial court improperly granted summary judgment on

the causes of action seeking injunctive relief for trademark dilution, it properly determined that the causes of action are ineffective to the extent they seek damages.

Disposition

The judgment is reversed with direction to the trial court to enter its order granting partial summary judgment to respondents on all issues raised by the complaint in the case at bench excepting only that portion of appellant's cause of action seeking injunction for trademark dilution. That issue must be determined at trial.

CERTIFIED FOR NONPUBLICATION

Thompson, *J.*

We concur:

Wood, *P. J.*

Lillie, *J.*